

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

SPECIAL CIVIL APPLICATION No 696 of 1986

For Approval and Signature:

Hon'ble MR.JUSTICE N.N.MATHUR

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1. Whether Reporters of Local Papers may be allowed to see the judgements?
2. To be referred to the Reporter or not?
3. Whether Their Lordships wish to see the fair copy of the judgement?
4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder?
5. Whether it is to be circulated to the Civil Judge?

BALMUKUND PREMANAND BHATT

Versus

RESERVED BANK OF INDIA

Appearance:

MR SK JHAVERI for Petitioners

MR SB VAKIL for Respondent No. 1

GOVERNMENT PLEADER for Respondent No. 2

CORAM : MR.JUSTICE N.N.MATHUR

Date of decision: 08/08/96

ORAL JUDGEMENT

This Special Civil Application under Article 226 of the Constitution of India has been filed seeking direction to quash and set aside the decision of the Reserve Bank of India refusing to grant licence to the petitioners and the decision of the Registrar of Cooperative Societies to file application for

Registration made by the petitioners. A further direction has been sought to direct the respondents to register the Union Commercial Cooperative Bank Ltd. as Cooperative Society for carrying on banking business and further directing them to grant licence to the petitioners as contemplated in Banking Regulations Act, 1949.

2. The petitioners are promoters of the proposed bank namely; Commercial Cooperative Bank Ltd. They made application on 21.9.1981 to District Registrar, Cooperative Societies (City) Ahmedabad for registration of the Union Small Scale Sahakari Bank Ltd, the name of which was subsequently changed into "Union Commercial Cooperative Bank". The say of the peitioners is that as per the direction of the Registrar, an amount of Rs.4 lakhs was deposited with the Ahmedabad District Cooperative Bank Ltd. and further the required survey was also undertaken by the Survey Committee after consulting the District Registrar and the Manager of the Ahmedabad District Cooperative Bank. It is submitted that the District Registrar has not decided the petitioners' application for registration and has ordered to file the application.

3. An affidavit has been filed by Mr O P Sindhwani, Deputy Chief Officer, Urban Banks Department. Reserve Bank of India. Mr G K Fakir, District Registrar, Cooperative Societies (City) has filed affidavit-in-reply.

4. So far as the Reserve Bank of India is concerned, it is submitted by Mr S B Vakil, learned Advocate that since the Society has yet not been registered, the question of grant of licence by the Reserve Bank of India does not arise. This fact is not disputed by Mr S K Jhaveri, learned Advocate for the petitioners. He submits that his grievance is that the District Registrar has filed the petitioners' application for registration simply on an unsustainable ground that the promoters do not fulfil the prescribed norms and procedures for issue of licence for carrying out banking functions as prescribed by the Reserve Bank of India.

5. I am not inclined to go into details the questions or reasons prevailed with the Registrar for not granting licence but I find there is substance in the contentions of Mr Jhaveri, that the Registrar ought to have taken a decision in the matter.

6. In view of the aforesaid, this Special Civil

Application is partly allowed. The District Registrar, Cooperative Societies (City Division), Ahmedabad is directed to give a fresh look to the petitioners' application and decide the same on merits after hearing the petitioners. Mr S K Jhaveri, learned Advocate submits that petitioner No.1 will appear before the District Registrar. In view of this, it is directed that the petitioner No.1 will appear before the District Registrar on 19.8.1996. If the Registrar is not in a position to decide on the same day, he will give the next date, but in any case, the application for registration may be registered within a period of 3 months from today.

Rule made absolute so far as respondent No.1 is concerned and Rule is discharged so far as respondent No.1 is concerned. There shall be no order as to costs.

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